

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 L-03 EUR-12 OES-07 SAB-02 IO-13
EB-07 NSC-05 SS-15 SSO-00 NSCE-00 H-01 CIAE-00
INR-07 NSAE-00 INRE-00 /087 R

DRAFTED BY ARA/AND/V:WCSERGEANT
APPROVED BY ARA - AMBASSADOR TODMAN
L/ARA - MR. WILLIS (DRAFT)
EUR/NE - MR. WORREL (DRAFT)
OES - MR. GORSEY (DRAFT)
S/AB - MR. NADEAU (DRAFT)
IO - MR. COHEN (DRAFT)
EB/ORF/FSE - MR. MILAM (DRAFT)
EB/ORF/FSE - MR. JETT (PHONE)
WHITE HOUSE - MR. PASTOR
S/S AOTTO

-----120821 192306Z /66

O 192225Z JUL 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY CARACAS NIACT IMMEDIATE

C O N F I D E N T I A L STATE 168472

FOR AMBASSADOR FROM TODMAN

E.O. 11652: GDS

TAGS: PFOR, VE

SUBJECT: FOLLOW-UP TO PEREZ STATE VISIT

REF: CARACAS 6959

1. I APPRECIATE RECEIVING YOUR EXCELLENT CHECK LIST OF
ITEMS ON WHICH CAP AWAITS WORD FROM US. SUCH A CHECK LIST
IS MOST USEFUL IN HELPING ME TO PINPOINT ACTION RESPONSIBI-
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BILITIES. THE FOLLOWING STATUS/POSITION REPORT RELATES
TO BASIC POINTS RAISED IN PARA. 6 OF YOUR REFTEL. A SUB-
SEQUENT TELEGRAM WILL DEAL WITH OTHER POINTS RAISED IN
PARA. 7. YOU MAY DRAW ON THE POINTS IN THIS TELEGRAM IN
YOUR BREAKFAST MEETING WITH PRESIDENT PEREZ.

2. CARIBBEAN. WE ARE CURRENTLY ENGAGED IN A POLICY
REVIEW OF THE CARIBBEAN AND THIS MAY RESULT IN VARIOUS
APPROACHES TO THE QUESTION OF COLLABORATION. AMBASSADOR
YOUNG WILL BE FOCUSING PRIMARILY ON MULTILATERAL ISSUES

IN HIS AUGUST SWING THROUGH THE CARIBBEAN, BUT HE CLEARLY WILL ALSO HAVE AN OPPORTUNITY TO GET THE VIEWS OF CARIBBEAN LEADERS ON THE PROBLEMS OF THE REGION. AS YOU KNOW HE WILL BE COMING TO VENEZUELA AT THE END OF THAT TRIP AND WILL SHARE HIS INSIGHTS WITH CAP. WE WELCOME THE

SUGGESTION ON COORDINATED ACTION ON ASSISTANCE TO THE CARIBBEAN. SUCH ACTION WOULD BE PARTICULARLY APPROPRIATE WITH REGARD TO JAMAICA AND THE LESS DEVELOPED STATES OF THE ENGLISH-SPEAKING CARIBBEAN. IN THE CASE OF JAMAICA, INFORMAL COORDINATION IS PROBABLY THE BEST ROUTE FOR EFFORTS TO DEAL WITH THE IMMEDIATE BOP CRISIS. WE UNDERSTAND THAT IS THE JAMAICAN PREFERENCE AND IS IN LINE WITH VENEZUELAN THINKING. FOR THE LONG TERM, WE HAVE HEARD FROM THE JAMAICANS THAT THE IBRD MAY BE WILLING TO HEAD A CONSORTIUM TO DEAL WITH THEIR DEVELOPMENT PROBLEMS. WE FAVOR THAT APPROACH. HOWEVER, AS THE JAMAICANS SEE IT, SUCH A FORMAL MECHANISM WOULD NOT BE IN PLACE BEFORE 1979. FOR THE PERIOD IMMEDIATELY FOLLOWING THE PRESENT EFFORTS TO DEAL WITH JAMAICA'S BOP CRISIS, I.E. IN C.Y. 1978, WE ARE IN SOME DOUBT AS TO THE BEST MEANS TO COORDINATE AND STIMULATE OTHER DONOR EFFORTS. WE WOULD WELCOME CAP'S VIEWS ON HOW TO PROCEED IN THAT PERIOD. IN THE CASE OF
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THE SMALLER, LESS DEVELOPED STATES, WE BELIEVE THE PREFERABLE APPROACH WOULD BE A CONSULTATIVE GROUP OR CONSORTIUM IN WHICH THE CARIBBEAN DEVELOPMENT BANK AND CARICOM TAKE A LEADING ROLE.

3. EXCHANGE OF INFORMATION ON CUBAN EXILE TERRORISTS. WE ARE LOOKING INTO THIS SUBJECT WITH DEPARTMENT OF JUSTICE AND OTHER RELEVANT USG AGENCIES, DEALING BOTH WITH INDIVIDUAL CASES INVOLVING CUBAN EXILES AND ON THE MORE GENERAL PLANE OF POSSIBLE COORDINATION WITH VENEZUELAN AND DOMINICAN INTELLIGENCE SERVICES. AS YOU KNOW THERE IS CONCERN HERE OVER PENETRATION OF VENEZUELAN SERVICE BY CUBAN EXILES AND POSSIBLY OTHER ELEMENTS. AS A CONSEQUENCE WE HAVE NOTHING NEW FOR YOUR USE IN YOUR MEETING WITH CAP.

4. BELIZE. YOU MAY TELL CAP THAT WE BELIEVE TERRITORY IS THE CORE ISSUE IN BELIZE NEGOTIATIONS. SECRETARY VANCE WROTE FOREIGN SECRETARY OWEN BEFORE THE LATEST NEGOTIATING ROUND TO TELL HIM WE THOUGHT TERRITORIAL CESSION WOULD BE INDISPENSABLE TO A LASTING SETTLEMENT. BELIZE LEADERS RECOGNIZE THIS PROBLEM BUT APPEAR NOT TO BE WILLING TO ACCEPT TRANSFER OF TERRITORY NEEDED TO BRING ABOUT AGREEMENT. THEY ARE ALSO SEEKING TO INTERNATIONALIZE THE ISSUE RATHER THAN NEGOTIATE A SETTLEMENT IN TALKS WITH GUATEMALANS. UK WILL HAVE A PROBLEM IN BRINGING BELIZE AROUND ON THESE TWO ISSUES. SECRETARY VANCE HAS ALSO

MADE CLEAR TO THE GUATEMALANS THAT THEIR DEMAND FOR A

QUARTER OF BELIZE IS WHOLLY UNREALISTIC. HE HAS ALSO
RAISED WITH BOTH SIDES THE POSSIBILITY OF MEDIATION
SHOULD DIRECT NEGOTIATIONS PROVE UNPRODUCTIVE. WE MET
WITH NEGOTIATORS FROM BOTH SIDES IN ADVANCE OF THE JULY 6-
7 NEGOTIATING ROUND. (SEE LATEST CFR ITEM FOR BACKGROUND
OF RECENT BELIZE TENSIONS.) WHEN IT BECAME CLEAR TO US
THAT THE BRITISH WERE DETERMINED TO REINFORCE THEIR
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BELIZE GARRISON, WE URGED THEM TO MAKE CLEAR TO LAUGERUD
AND MOLINA THAT THE REINFORCEMENT WAS PURELY DEFENSIVE
AND DID NOT INDICATE AN INTENTION TO UNILATERALLY GRANT
INDEPENDENCE TO BELIZE. WE BELIEVE OUR URGINGS HAD A
POSITIVE INFLUENCE. TENSIONS EASED FURTHER WHEN THE
PARTIES AGREED ROWLANDS WOULD GO TO GUATEMALA TO CONTINUE
THE DISCUSSIONS AND TALK TO PRESIDENT LAUGERUD. MOLINA
TOLD US BEFORE LEAVING THAT GUATEMALAN PUBLIC OPINION
HAD NOT BEEN PREPARED TO ACCEPT LESS THAN ALL OF BELIZE,
AND SOME OF MOLINA'S RECENT STATEMENTS SHOW THAT HE IS
WORKING TO SHAPE PUBLIC OPINION FOR A MORE "REALISTIC"
SETTLEMENT. WE SINCERELY HOPE THAT FRIENDS OF BELIZE AND
GUATEMALA WILL TALK TO BOTH SIDES TO URGE THEM TO AVOID
INFLEXIBLE POSITIONS.

5. BOLIVIAN ACCESS. WE ARE REVIEWING CAP'S SUGGESTION
OF A POSSIBLE MEDIATION EFFORT IN CONTEXT OF POLICY PAPER
IN PREPARATION ON PEACEKEEPING IN LA. AS YOU WILL
RECALL THE PRESIDENT RESPONDED THAT HE "HAD NO IDEA WHO
WOULD BE TRUSTED TO WORK OUT AN ADJUDICATION BUT WOULD
ASSENT TO THE VENEZUELAN SUGGESTION IF IT WERE SATIS-
FACTORY TO THE COUNTRIES OF THE AREA". ALSO AT AIRPORT
PRIOR TO DEPARTURE CAP TOLD ME HE WOULD BE DEVELOPING
HIS IDEAS FURTHER AND WOULD LET US KNOW. WE NOTE THESE
RELEVANT RECENT DEVELOPMENTS: (A) THE HIGH COMMANDS OF
PERU, CHILE AND BOLIVIA MET AT SANTA CRUZ TWO WEEKS AGO,
STRESSING COOPERATION AND PEACEFUL INTENTIONS. BOLIVIANS
LATER REVEALED THAT PARTICIPANTS REITERATED THAT LAND-
LOCKED CONDITION OF BOLIVIA "DEMANDS THE MOST ATTENTIVE
CONSIDERATION". (B) IN MID-JUNE PERUVIAN FOREIGN
MINISTER DE LA PUENTE, FOLLOWING A TALK WITH HIS CHILEAN
COUNTERPART, TOLD THE LIMA PRESS THAT CHILE AND BOLIVIA
WERE INITIATING TALKS ON THE CORRIDOR QUESTION AND IF
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PROGRESS IS SATISFACTORY, CHILE WILL THEN CONSULT WITH PERU
TOWARDS FINDING A SOLUTION. (C) ALL THREE MILITARY
GOVERNMENTS OF THE AREA HAVE REAFFIRMED PLANS FOR RETURN
TO CIVILIAN REGIMES, NOTABLY IN PINOCHET'S JULY 9 SPEECH.

IT IS UNCLEAR HOW THESE "RETORNO" PLANS MIGHT AFFECT
ACCESS NEGOTIATIONS. ON ONE HAND PINOCHET, BANZER AND

MORALES BERMUDEZ JUST MIGHT BE ABLE TO WORK SOMETHING OUT
-- WITH OR WITHOUT MEDIATION. ON THE OTHER SIDE,
MILITARY HARDLINERS IN PERU WILL PREDICTABLY BALK AT ANY
SETTLEMENT, WHICH WOULD IN EFFECT PERMANENTLY GIVE UP
CLAIMS TO TERRITORY LOST IN THE WAR OF THE PACIFIC; ALSO,
SOME CIVILIAN OBSERVERS DOUBT THAT DE FACTO REGIMES CAN
OR SHOULD COMMIT THEIR COUNTRIES ON SO FUNDAMENTAL A
POLITICAL QUESTION.

6. NORTH-SOUTH. SECRETARY VANCE HAS REPEATEDLY MADE
CLEAR U.S. INTENTION TO CONTINUE THE NORTH-SOUTH
DIALOGUE IN THE AFTERMATH OF CIEC. THIS POSITION WAS
ENDORSED IN THE OECD DECLARATION OF JUNE 23 ON RELATIONS
WITH DEVELOPING COUNTRIES IN WHICH OECD MINISTERS
EXPRESSED THEIR READINESS TO PURSUE ACTIVELY THE DIALOGUE
WITH DEVELOPING COUNTRIES. THE DECLARATION NOTED THAT
THE DIALOGUE WOULD CONTINUE IN THE U.N. AS WELL AS OTHER
FORUMS. THE OECD MINISTERIAL DID NOT CONSIDER THE
SPECIFIC IDEA OF A GROUP OF 35 WITHIN THE U.N., AND THE
U.S. HAS TAKEN NO POSITION ON THAT PROPOSAL. SINCE OECD
MEETING SECRETARY VANCE HAS BEEN TALKING QUIETLY AND
INFORMALLY WITH SOME OECD MEMBERS. WE WONDER IF
VENEZUELANAS HAVE ALSO DISCUSSED CONTINUING THE NORTH-SOUTH
DIALOGUE WITH G-77 MEMBERS, AND IF SO WHAT REACTIONS
THEY HAVE ENCOUNTERED. WE WILL NATURALLY INTEND TO
EXCHANGE VIEWS WITH PEREZ GUERRERO AGAIN ON THIS SUBJECT.
THIS EXCHANGE SHOULD PROBABLY TAKE PLACE JUST PRIOR TO
OR DURING THE RESUMED 31ST UNGA AND THE 32ND UNGA
SESSIONS; WE ASSUME PEREZ GUERRERO WILL BE IN NEW YORK
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DURING THAT TIME, AND WOULD WELCOME MEETING WITH HIM THEN.

7. PANAMA NEGOTIATIONS. ECONOMIC ARRANGEMENTS CONTINUE
TO BE THE MOST DIFFICULT ISSUE STILL OUTSTANDING IN THE
NEGOTIATIONS WITH PANAMA. PANAMA CONTINUES TO INSIST ON
BENEFITS SUBSTANTIALLY BEYOND THE CANAL'S REVENUE
GENERATING CAPACITY. THEIR DEMANDS INVOLVE ANNUAL
PAYMENTS FAR HIGHER THAN ANY REASONABLE TOLL STRUCTURE
COULD SUPPORT AND A VERY LARGE "CASH" PAYMENT. THE
DEMANDS ARE OF COURSE RELATED TO PANAMA'S OVERALL
ECONOMIC AND FISCAL PROBLEMS WHICH HAVE GROWN WORSE OVER
THE PAST YEAR. WE ARE EXPLORING A NUMBER OF POSSIBILITIES
AND PANAMA IS SHOWING SOME FLEXIBILITY BUT WE ARE STILL
FAR APART ON THIS ISSUE. PANAMA HAS ALSO RAISED NEW
DEMANDS CONCERNING LANDS AND WATERS. THEIR NATIONAL GUARD
WANTS SEVERAL ADDITIONAL FACILITIES AT OR CLOSE TO THE
TREATY'S OUTSET. MOST OF THE NEW DEMANDS APPEAR TO BE

UNACCEPTABLE. AMBASSADORS BUNKER AND LINOWITZ ARE CONTINUING THEIR EXTENSIVE CONSULTATIONS WITH THE CONGRESS ON THE TREATY. AT THIS TIME THERE ARE NO SPECIFIC INITIATIVES WHICH WE BELIEVE CAP COULD USEFULLY TAKE. HOWEVER, SHOULD THE OCCASION ARISE, WE WOULD WELCOME ANYTHING CAP MIGHT SAY TO TORRIJOS TO EMPHASIZE OUR SERIOUSNESS IN THE NEGOTIATIONS, AND TO BRING REALISM AND MODERATION INTO PANAMANIAN DEMANDS.

8. TRADE LAW. AT THE REQUEST OF THE WHITE HOUSE, CONGRESSMAN VANIK POSTPONED HIS HEARINGS ON OPEC-EXCLUSION BILLS. CONGRESSMAN VANIK WAS TOLD THE ISSUE IS STILL UNDER STUDY WITHIN THE ADMINISTRATION.

9. TAR SANDS AND ENERGY TECHNOLOGY. AS INDICATED IN
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STATE 162558 OF JULY 13 SCHLESINGER WILL MEET WITH HERNANDEZ LATER THIS YEAR PRECEDED BY LOWER LEVEL TALKS IN SEPTEMBER OR OCTOBER.

10. SCIENCE AND TECHNOLOGY. THE DEPARTMENT HAS A REVISED DRAFT S&T AGREEMENT BASED ON GOV REDRAFT (CARACAS 6290) AND HAS CIRCULATED THE REVISION AMONG INTERESTED FEDERAL AGENCIES. THE DEPARTMENT CONTEMPLATES THAT A SINGLE AGREEMENT WILL COVER BOTH S&T AND ENVIRONMENTAL MATTERS AND HAS REVISED THE DRAFT ACCORDINGLY. WE ANTICIPATE THE REVISED DRAFT WILL BE SENT TO THE EMBASSY NO LATER THAN JULY 22. VANCE

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<< END OF DOCUMENT >>

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